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November 13, 2000

CERTIFIED RETURN RECEIPT Z 228 354 995

Jerry Holliday Holliday Construction Inc. 700 East Brown Canyon Road P.O. Box 502 Blanding, Utah 84511

Re: Review of Fourth Submission, Notice of Intention to Commence Large Mining Operations, Holliday Construction Inc., Lime Ridge, M/037/081, San Juan County, Utah

Dear Mr. Holliday:

The Division has completed a review of your fourth submission received September 18, 2000, and additional soils information received November 1, 2000, for your Notice of Intention to Commence Large Mining Operations for the Lime Ridge mine located on state mineral lease ML45960-BSLS in San Juan County, Utah. The submission included a copy of the first page of the Division's August 4, 2000 letter, with the following pages providing responses according to rule headings from the Division's review letter.

The Division has a number of review comments which require a response before tentative approval can be granted. The comments are listed below under the applicable Minerals Rule heading. Please format your response in a similar fashion. Please provide a response to this review within 30 days of your receipt of this letter.

The Division will suspend further review of the mine notice until your response to this letter is received. If you have any questions in this regard please contact me, Tony Gallegos, Lynn Kunzler, Tom Munson or Doug Jensen of the Minerals Staff. If you wish to arrange a meeting to discuss this review, please contact us at your earliest convenience.

Sincerely,

D. Wayne Hedberg Permit Supervisor

Minerals Regulatory Program

jb

Enclosure: Review Comments 11/8/00 cc: John Blake, SITLA

REVIEW OF NOTICE OF INTENTION TO COMMENCE LARGE MINING OPERATIONS

Holliday Construction, Inc. Lime Ridge Mine M/037/081 November 8, 2000

R647-4-105 - Maps, Drawings & Photographs

Figure 1 - Surface facilities map indicates that there are two soil stockpiles located at the site. Please furnish an estimate of the amount of soil that will be available for use in reclamation. (DJ)

R647-4-106 - Operation Plan

106.3 Estimated acreages disturbed, reclaimed, annually.

The notice states that "no further mining operations are planned at this time." However, under section 110.1, it is stated that you presently have an additional contract for an additional 3,500 tons of material for next year. Please explain these conflicting statements. (DJ)

106.6 Plan for protecting & redepositing soils

Please seed the topsoil stockpile with the reclamation seed mix to use vegetation to stabilize the soil materials from erosion during storage. Please place a sign identifying the stockpile as topsoil for use in final reclamation only, so this material is not mistakenly disturbed. (LK)

R647-4-107 - Operation Practices

107.1 Public safety & welfare

107.1.14 Posting warning signs

Please place warning signs along the county road at the entrance to the project area to warn the public of mine hazards within this area. (DJ)

107.1.15 Constructing berms, fences, etc. above highwalls

Rule R647-4-111.7 states that "highwalls shall be reclaimed and stabilized by backfilling against them or by cutting the wall back to achieve a slope angle of 45 degrees or less." Overburden material generated by this operation should be placed against highwalls at the time of final reclamation to satisfy this requirement.

Because of the proximity of the county road to a pit highwall, place a minimum four foot high berm where the road borders a pit. Signs should also be placed along this berm warning the public of the highwall hazard.

The location of the county road adjacent to the pit excavations may be a cause for concerns regarding the stability and safety of this section of road. It may be beneficial to relocate the section of road through the pit excavations to minimize long term safety hazards. Please provide confirmation that the San Juan County Road Department has been contacted and has no concerns regarding the possible impacts to this section of road. (DJ)

107.2 Drainages to minimize damage

The operation is disrupting the natural drainage pattern of the area and the reclamation plan states the outfall from the pits will be free flowing. The idea of leaving a small pond in the pit at final reclamation is a good idea if it is accessible to wildlife and does not create any downstream hazards. The method of having a free flowing inlet and outlet to the pit is unclear in the drawings

Page 2 Lime Ridge Mine M/037/081 November 8, 2000

supplied. Please provide a more detailed description of how you will reestablish the drainage through and out of the pit(s) to provide a stable and free flowing channel. (TM)

R647-4-110 - Reclamation Plan

110.1 Concurrent & post mining land use

Please provide a description of the current and proposed post mining land use(s) for the project area (i.e. grazing, wildlife habitat, recreation, etc.). (LK)

110.5 Revegetation planting program

A review of the soils data reveals that the soil materials are low in phosphorus and organic matter. To correct these deficiencies, it is recommended that 50 pounds per acre of phosphate fertilizer and 15 tons per acre of composted manure be applied to amend the soil materials to assure revegetation success. Please agree to incorporate these soil amendments into the reclamation plan or provide justification for their omission. (LK)

R647-4-111 - Reclamation Practices

111.1 Public safety & welfare

1.15 Constructing berms/fences above highwalls

See comment under R647-4-107.1.15. (DJ)

111.7 Highwalls stabilized at 45 degrees or less

Please agree to reduce or backfill all highwalls to the 45 degree configuration or provide justification for a variance from this requirement, formatted according to R647-4-112. The statement that the highwalls will be left "neat and pleasant looking" is not a reclamation treatment. (DJ)

111.12 Topsoil redistribution

Spreading one inch of topsoil over regraded areas will be difficult to accomplish and will not provide a significant improvement in the revegetation potential. It is suggested that the topsoil be placed in islands scattered throughout the reclaimed areas. These soil islands would be a minimum of six inches deep. By amending the overburden/fines that will be between the topsoil islands with the same fertilizer and composted mulch that is applied to the topsoiled areas (50 lbs/ac. of phosphate fertilizer and 15 tons/ac. of composted manure), it is expected that significant vegetation can be established over the entire site. Please agree to incorporate these activities into the reclamation plan or provide justification for their omission. (LK)

R647-4-112 - Variance

No variances were applied for with this notice

R647-4-113 - Surety

Final surety amounts will be calculated upon receipt of response to this review letter. (DJ)